



STATE OF NEVADA
FINANCIAL INSTITUTIONS DIVISION
DEPARTMENT OF BUSINESS AND INDUSTRY
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L. SCOTT WALSHAW
Commissioner

MEMORANDUM

Date: March 14, 2002
From: L. Scott Walshaw, Commissioner
To: All Licensed Mortgage Brokers
Subject: AB 324 (New Requirements for **Mortgage Loan Agent Registrations**)

In my October 11, 2001 memo, outlining the new provisions of AB-324, I pointed out the requirements of Section 13, pertaining to new requirements for registration and renewal of a mortgage loan agent. These requirements have now been incorporated into the mortgage broker statutes (see: *NRS 645B.450*). This memo will provide you with the additional information on the *implementation* of these new requirements, as mentioned in the October memo. For your further information the relevant sections of the statute and administrative code have been separately enclosed).

Beginning July 1, 2002 the licensed mortgage broker is required to register each loan agent it employs or associates with on an **ongoing annual** basis, once such agent has been *initially* registered (Note: "initial registration" is defined in this context as the date that an agent was originally registered **within the mortgage brokerage industry**, NOT when such person was registered by successive mortgage broker employers.) Pursuant to NAC 645B.300(4), the effective date of an agent's *initial* registration will be the date the division receives a completed registration form (this must be on or before the date the broker first employs or associates the individual as an agent). If approved, the agent's registration would expire twelve months after its effective date.

Please note that the *initial* registration of a loan agent not previously registered will continue to require a payment for the "actual costs and expenses incurred by the division" in performing a background investigation, currently \$70 and the completion and submission of the appropriate forms by the licensed broker.

The *renewal* of existing registrations will now require the payment of an annual registration fee “*by the person being registered*” of \$125 (**payment to be made not later than the date the registration is submitted**). The **licensed mortgage broker** has the responsibility for forwarding the completed agent renewal forms and the \$125 fee to the division, in addition to providing evidence that the candidate for renewal has completed the 5 hours of “continuing education” required by NRS 645B.450 (4)(c) during the 12 months preceding the renewal. *Any agent previously registered whose registration has expired would not be eligible to be employed or associated with a licensed broker without first satisfying the renewal requirements.*

“A certified course of continuing education” is defined in NRS 645B.051 as any course that relates to the mortgage industry or mortgage transactions and that is “certified” by the National Association of Mortgage Brokers. (“NAMB”). NAMB has informed the division that a “certificate of completion” must be issued for each course that a student completes by the person or entity certified to provide the continuing education. The division intends to use the aforementioned “certificates of completion” to ascertain compliance with the 5 hours of annual continuing education for renewing *agents, brokers, “qualified employees” and/or other persons determined to be “supervising the daily business of the licensee”*.

A broker who fails to register an agent, employs or associates an agent that is ineligible or has not renewed their registration may be subject to disciplinary action in the form of a license suspension or revocation and/or an administrative fine of up to \$10,000 for each violation.

The division anticipates being able to handle the increased workload associated with these new requirements, provided it is approved by the Legislature’s Interim Finance Committee to hire the additional personnel projected to adequately administer the program. As with any change prospectively involving thousands of registrants, unanticipated issues will arise and these will have to be addressed on a case basis. The Division respectfully requests that licensee’s assist in the transition process by providing a copy of this memo to each of their registered agents.